

JUSTIFICATION  
FOR AN EXCEPTION TO FAIR OPPORTUNITY

1. Contracting Activity: Department of Veterans Affairs (VA)  
Office of Acquisition Operations  
Technology Acquisition Center  
23 Christopher Way  
Eatontown, New Jersey 07724
2. Description of Action: This proposed action is for a firm-fixed price task order with one 12-month base period and one 12-month option period as well as one 60 day optional task that will be issued under the Transformation Twenty-One Total Technology Next Generation (T4NG) Program, indefinite delivery, indefinite quantity (IDIQ) Contract Number VA118-16-D-1025 with Insignia Technology Services, LLC to provide Supply Chain Graphic User Interface (GUI) Project Management Office (PMO) Support.
3. Description of the Supplies or Services: The proposed action is to provide PMO support including administrative, fiscal management, schedule management, risk management, and applicable policies and regulations in support of the Supply Chain Management program. Veterans Health Administration's (VHA) supply chain accounts for well over 85% of VA's total supply chain activity. The systems that support this supply chain rely on a 30 year old archaic Massachusetts General Hospital Utility Multi-Programming System -based architecture known as the Integrated Funds distribution Control point activity Accounting and Procurement (IFCAP). VHA's supply chain is supported by two applications that work with IFCAP: the Generic Inventory Package for expendable items and the Automated Engineering Management System/Medical Equipment Reporting System (for non-expendable and equipment management. This complex, disjointed, legacy supply chain system architecture has resulted in inefficiencies in the overall supply chain operating model and is at significant risk of failure. VHA has developed several initiatives to address the failing supply chain systems that require VA OI&T resource support. The required PMO support services will provide the required administrative, fiscal management, schedule management, and risk management support to ensure successful completion of the VHA initiatives to address the failing supply chain systems. The period of performance for this proposed action is 12 months from date of award with one 12-month option period and one 60 day option period for transition support. The total estimated value of the proposed action is [REDACTED], inclusive the option and optional task.
4. Statutory Authority: The statutory authority permitting an exception to fair opportunity is Section 41 U.S.C. 4106(c)(4) as implemented by the Federal Acquisition Regulation (FAR) Subpart 16.505(b)(2)(i)(D), entitled "It is necessary to place an order to satisfy a minimum guarantee."
5. Rationale Supporting Use of Authority Cited Above: The proposed source is Insignia Technology Services, LLC, 610 Thimble Shoals Blvd, Bldg. 6, Newport News, VA 23606. Solicitation Number VA118-15-R-0558 was issued competitively, utilizing the Federal Business Opportunities (FBO) website on November 19, 2014. The solicitation

closing date was December 19, 2014. Twenty-eight offerors were chosen for an award in accordance with the criteria set forth in the Basis for Award of the solicitation. Included in the solicitation was FAR clause 52.216-22, Indefinite Quantity, which stated the minimum guarantee that would be satisfied for each resultant contract award under the T4NG contract. This order is being issued to SRA to satisfy the minimum guarantee. Insignia has been determined by the Government's technical experts to meet all aforementioned Supply Chain GUI PMO Support Services. The determination included a review of the selected awardee's technical capabilities.

This order includes one 12-month option to allow for the continuation of the administrative, fiscal management, schedule management, and risk management in accordance with applicable policies and regulations, to include Veteran Focused Integration Process/ProPath for the GUI overlay development project being provided under VA118-16-D-1056 which has an ordering period of 36 months with one, one-year optional ordering period.

A minimum guaranteed order under an IDIQ contract must be placed during the same fiscal year as the IDIQ is awarded to avoid a bona fide need violation (31 U.S.C. Section 1502) and until it is placed, there is no enforceable contract. Once the IDIQ contract has been awarded, an obligation is created. Given the time remaining in the fiscal year, it is not possible to compete the orders with an expectation that each remaining T4NG contractor not meeting the minimum will be awarded one.

6. Efforts to Obtain Competition: In accordance with FAR 5.301 and 16.505(b)(2)(ii)(D), this action will be synopsized at award on the Federal Business Opportunities page and the justification will be made publicly available within 14 days after the award. In addition, this justification will be posted with the solicitation to notify all the T4NG vendors.

7. Actions to Increase Competition: There is no competition anticipated for this action as it is being issued to meet the mandatory minimum guaranteed value for this IDIQ contract. It is expected that any future requirements will be awarded on a competitive basis.

8. Market Research: Market research was not conducted for this effort. The order is being issued to meet the mandatory minimum guaranteed value for this IDIQ contract.

9. Other Facts: Twenty-one of the T4NG contracts were awarded on March 7, 2016. An additional three contracts were awarded on June 10, 2016. Due to protests, these contracts were not available for use until June 21, 2016. An additional four contracts were awarded on August 2, 2016, for a total of 28 T4NG contracts. Fourteen awards have been made competitively, resulting in the minimum guarantee being met for six of the T4NG contractors.